

FORM

2

Rev  
12/05

## State of Colorado

## Oil and Gas Conservation Commission

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Document Number:

400399959

Date Received:

04/16/2013

PluggingBond SuretyID

20100017

## APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

## 2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER \_\_\_\_\_  
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☐3. Name of Operator: ENCANA OIL & GAS (USA) INC4. COGCC Operator Number: 1001855. Address: 370 17TH ST STE 1700City: DENVER State: CO Zip: 80202-56326. Contact Name: Bonnie Lamond Phone: (720)876-5156 Fax: (720)876-6177Email: bonnie.lamond@encana.com7. Well Name: Marcus State Well Number: 3F-36H (M266)

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 11913

## WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 36 Twp: 2N Rng: 66W Meridian: 6Latitude: 40.088280 Longitude: -104.729960

Footage at Surface: 317 feet FNL/FSL 1364 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 5039 13. County: WELD

## 14. GPS Data:

Date of Measurement: 11/03/2012 PDOP Reading: 2.0 Instrument Operator's Name: John Rice15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 743 FSL 2458 FWL 460 FEL/FWL 2450 FWL 460  
 Bottom Hole: FNL/FSL 460 FNL 2450 FWL 460  
 Sec: 36 Twp: 2N Rng: 66W Sec: 36 Twp: 2N Rng: 66W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 308 ft18. Distance to nearest property line: 317 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 385 ft

## 20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR		320	GWA

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: \_\_\_\_\_22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#:23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No23b. If 23 is No: ☒ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

T2N R66W SEC 36: NW/4 AND SW/4. Mineral lease map attached.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 320

### DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☒ Offsite ☐ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: \_\_\_\_\_

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	22	16	30	0	80	80	80	0
SURF	12+1/4	9+5/8	40	0	1,102	138	1,102	0
1ST	8+3/4	7	26	0	7,782	441	7,782	802
2ND	6+1/8	4+1/2	13.5	0	11,913	170	11,913	7,482

32. BOP Equipment Type: ☒ Annular Preventer ☒ Double Ram ☒ Rotating Head ☐ None

33. Comments The subject well is nearest to a public road, about 308 feet away. Encana Oil & Gas (USA) Inc. requests the approval of a 318A(l).a.(1) and 318A(l).c(1) exception location as the well head is to be located outside of a GWA drilling window and further than 50' from an existing well. Request letter and waivers attached. Encana Oil & Gas (USA) Inc. requests the approval for the omission of open hole logs, request letter attached. The proposed unit configuration is T2N R66W SEC 36: E/2W/2, W/2E/2.

34. Location ID: \_\_\_\_\_

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_ Print Name: Bonnie Lamond

Title: Permitting Technician Date: 4/16/2013 Email: bonnie.lamond@encana.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Matthew Lee Director of COGCC Date: 5/22/2013

#### API NUMBER

05 123 37440 00

Permit Number: \_\_\_\_\_ Expiration Date: 5/21/2015

#### CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

- 1)Provide notice of MIRU via an electronic Form 42.  
 2)Comply with Rule 317.i and provide cement coverage to a minimum of 200' above the Niobrara and from 200' below Sussex to 200' above Sussex. Verify cement coverage with a cement bond log per 317.o.

### **Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

### **Attachment Check List**

Att Doc Num	Name
2114015	PROPOSED SPACING UNIT
400399959	FORM 2 SUBMITTED
400399973	DIRECTIONAL DATA
400399974	DEVIATED DRILLING PLAN
400399977	30 DAY NOTICE LETTER
400399980	WELL LOCATION PLAT
400399988	EXCEPTION LOC WAIVERS
400399990	EXCEPTION LOC WAIVERS
400399991	EXCEPTION LOC REQUEST
400399992	PROPOSED SPACING UNIT
400400002	MINERAL LEASE MAP
400400004	SURFACE AGRMT/SURETY
400404827	OFFSET WELL EVALUATION
400405190	OTHER

Total Attach: 14 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Engineer	Evaluated offset wells for adequate cement coverage.	4/23/2013 9:33:08 AM
Permit	-Proposed Spacing Unit Certification letter description did not match PSU drawing. Attached corrected PSU attachment. -Two leases make up the 320 acres. Corrected lease description from W/2 to NW/4 and SW/4. -Changed distance to nearest lease line to 0 -Removed Location ID -Removed spacing order and changed Unit Configuration to GWA. -Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	4/19/2013 9:46:14 AM
Permit	RTD: The attachment labeled other does not open.	4/17/2013 8:33:45 AM

Total: 3 comment(s)

## **BMP**

<b><u>Type</u></b>	<b><u>Comment</u></b>
Drilling/Completion Operations	Encana will comply with the "COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012.
Drilling/Completion Operations	Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.

Total: 2 comment(s)